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KIAWAH ISLAND UTILITY, INC.

DOCKET NO. 96-168-W/S

PRE-FILED TESTIMONY OF WENDY K. KULICK

BEFORE THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION

Testimony Prepared: November 18, 1996

Hearing Date: December 2, 1996

THIS TESTIMONY IS FILED PURSUANT TO PSC ORDER DATED November, 13, 1996. THE INTERVENOR RESERVES THE RIGHT TO PROVIDE ADDITIONAL TESTIMONY CONCERNING FURTHER INTERROGATORY RESPONSES AND REBUTTAL TESTIMONY TO BE PRE-FILED PURSUANT TO SAID ORDER, BY THE APPLICANT AND/OR ANY OTHER PARTY TO THIS PROCEEDING.

S.C. PUBLIC SERVICE COMMISSION  
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REGULATORY DEPARTMENT

Q. PLEASE STATE YOUR NAME AND ADDRESS.

A. My name is Wendy K. Kulick. I live at 38 Marsh Edge Lane on Kiawah Island. This is my permanent address, and I work full-time as the Director of Human Resources at Ness, Motley, Loadholt, Richardson & Poole.

Q. ARE YOU AUTHORIZED BY THE KIAWAH PROPERTY OWNERS GROUP, INC., ALSO KNOWN AS "KPOG," TO APPEAR BEFORE THE COMMISSION TODAY?

A. Yes. I have been authorized by a resolution of the Board of Directors of KPOG, approved by the membership, to appear and present the views of our organization in this rate application.

Q. PLEASE STATE YOUR INVOLVEMENT IN THIS RATE APPLICATION.

A. For the past two years I have been the duly-elected

1 RETURN DATE: \_\_\_\_\_  
SERVICE: 012 (w) \_\_\_\_\_

The purpose of our intervention at this time is to provide a voice for property owners, expressing concern regarding the current application for a rate increase by the Kiawah Island Utility Company.

Q: PLEASE STATE THE POSITION OF THE KIAWAH PROPERTY OWNERS GROUP, INC. ("KPOG") IN THIS RATE APPLICATION.

A. KPOG fully understands and appreciates the utility company's ("KIU") request for a reasonable operating margin, as well as KIU's need for growth and improvement as development on the island proceeds eastward. Nevertheless, we strenuously oppose this rate application because of its scope and its attempt to force all Kiawah property owners to shoulder expenses more appropriately borne by those who use certain services. Because of the number of questions which have arisen over certain aspects of KIU's application before this commission, we believe that no increase should be granted by this Commission.

Q. YOU REFER TO CERTAIN SERVICES WHICH ALL PROPERTY OWNERS ARE BEING ASKED TO UNDERWRITE. EXACTLY WHICH SERVICES DOES THIS ENCOMPASS?

A. First and foremost, the services to which I refer are those of the \$500,000 cost of sewers to be installed on Eugenia Avenue which the Utility has included in this application. In pre-filed testimony in support of its rate application,

Docket No. 96-074-S, before this commission dated May 28, 1996 (since withdrawn), in answer to question 8C (Since all property owners will benefit from this extension [of the sewer], why should not all property owners share in the costs?), the applicant stated that "The only property owners affected by this extension will be the 66 Eugenia Avenue property owners - exclusively. All other lot owners have paid a portion of the costs of the water and sewer lines servicing their properties in the purchase price of their lots. They should not be made to bear this expense that may be created by only a small portion of the Island. ... The developer, or in this case the property owners, since there is no longer a developer [of Eugenia Avenue], have to pay for the cost of the construction and installation of the sewer lines within the subdivision and deed the lines over to the Utility Company at no cost to the Utility."

We must seriously question the inclusion of the cost of the Eugenia Avenue sewer project in this rate application since it is a direct contradiction of the Utility's position six months ago.

In addition, there are other areas of service which we seriously question which will be addressed by others witnesses in this case, Dick Sayers and Wally DuBois.

Q. WOULD YOU EXPLAIN WHAT THESE OTHER AREAS ENCOMPASS?

A. Yes. Dick Sayers will address the issues of concern to our members primarily relating to the interrelationship of the Utility and the developer and how it impacts on the water and sewer rates currently in effect and as proposed by this application. Wally DuBois has prepared an extensive review of the accounting aspects of the application and how the proposed increase will impact rates and charges to our member. I implore you to carefully consider my testimony, and that of the other witnesses opposing this application and conclude that no increase is necessary and deny the application for an increase in rates and charges. That is in the interest of our membership and the consuming public you are charged to protect.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does. I appreciate the Commission's consideration of our evidence and the opportunity to present our position before you.

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Docket No. 96-168-W/S

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CERTIFICATE OF MAILING

We hereby certify that on this 18th day of November, 1996, we served a copy of the Intervenor Kiawah Property Owners Group, Inc. foregoing Pre-filed Testimony of Wendy K. Kulick, upon:

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South Carolina Public Service Commission  
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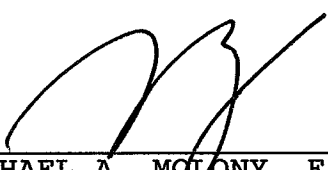
Dennis J. Rhoad, Esquire  
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with a copy to:

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by first class mail, postage prepaid.

DATED at Charleston, South Carolina, this 1<sup>st</sup> day of  
November, 1996.



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MICHAEL A. MOLONY, ESQUIRE  
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